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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934.

January 31, 1992
(For Quarter Ended)

33-12629-NY
(Commission file number)

PATHE COMPUTER CONTROL SYSTEMS CORP.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

11-2661683
(I.R.S. Employer Identification No.)

17 CAMPTOWN ROAD, IRVINGTON, NJ 07111
(Address of principal executive offices)

201-372-1112
(Registrants telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

6,000,000 shares, $.01 par value, 2,442,000 outstanding as of January 13, 1992
(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date)

APPROVED
9/9/9
MAR 30 1992

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PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following Condensed Consolidated Balance Sheets of Pathe Computer Control Systems Corp. and Subsidiary at January 31, 1992 and October 31, 1991, the Condensed Consolidated Statements of Operations for the three months ended January 31, 1992 and 1991, and the Condensed Consolidated Statements of Changes in Financial Position for the three months ended January 31, 1992 and 1991, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and changes in financial position for the periods indicated.

Information with respect to all periods ending January 31, 1992 and 1991 is unaudited.

PATHE COMPUTER CONTROL SYSTEMS CORP. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	JANUARY 31, 1992	OCTOBER 31, 1991
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments	$ 623	$ 784
Receivables, net	143	55
Inventories	906	769
Prepaid expenses and other	11	7
TOTAL CURRENT ASSETS	1,683	1,615
Machinery and equipment, net	273	284
Patents - net	19	18
Security deposits	28	28
	$2,003	$1,945
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Payables	$ 46	$ 39
Accrued payroll and related expenses	20	12
Customer deposits	131	--
TOTAL LIABILITIES	197	51
STOCKHOLDERS' EQUITY (Note 1):		
Common Stock, $.01 par value - 6,000,000 shares authorized; 2,442,000 and 2,309,500 shares issued and outstanding in 1992 and 1991, respectively	24	23
Paid-in-Capital	2,943	2,911
Retained Earnings (Deficit)	(1,161)	(1,040)
TOTAL STOCKHOLDERS' EQUITY	1,806	1,894
	$2,003	$1,945

PATHE COMPUTER CONTROL SYSTEMS CORP. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three months ended January 31,	
	1992	1991
REVENUES, net	$ 103	$ 184
Cost of revenues and expenses:		
Cost of revenues	66	160
Selling, general, and administrative	129	102
Research and development	35	43
	230	305
OPERATING LOSS	127	121
Interest income, net	6	19
NET LOSS	($ 121)	($ 102)
	($ .05)	($ .07)
Average number of shares outstanding	2,345,540	1,472,000

PATHE COMPUTER CONTROL SYSTEMS CORP. AND SUBSIDIARY
CONDENSED CONSOLIDATED SUMMARY OF CASH FLOWS
(in thousands)

	Three months ended January 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	($ 121)	($ 102)
Depreciation and amortization	15	3
Changes in assets and liabilities, net	(84)	(61)
	(190)	(160)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of machinery and equipment	(4)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Sale of Common Stock	33	-
NET (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	($ 161)	($ 160)
Cash and short-term investments-Beginning	$ 784	$ 749
Cash and short-term investments-End	$ 623	$ 589

NOTE TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Stockholders' Equity - Issuance of Common Stock

On January 6, 1992, the Company issued, pursuant to the exercise of stock options, 132,500 common shares to an officer and director for $33,125 in cash. The effect of the stock issuance on Stockholders' Equity was to increase Common Stock by $1,325 and Paid-in-Capital by $31,800.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 1992, the Company had working capital of $1,617,000 (excluding customer deposits of $131,000) and no long term debt. While the Company's working capital levels have remained constant from year ago levels, its cash and cash equivalent balances have decreased from year end balances. During the quarter, work-in-progress inventories increased representing three orders ($315,000) for specialty sewing machines due to be completed and delivered in the second quarter. The increase in inventories has been essentially financed through customer deposits. The increase in receivables arises from test sewing of composite materials (for the aerospace industry) pending definitization of a contract against which the Company can resume billing for services rendered. Also during the quarter, the Company undertook a project to develop a special retrofit package to convert a mechanical spring/coiler machine to a computer controlled machine.

The Company is continually mindful of its modest financial resources and the level of future expenditures will be measured in order to continue to maintain its strong ratio of liquid assets to total liabilities - approximately 11:1 (excluding customer deposits). The Company believes it has a sufficient working capital base to meet its foreseeable needs for fiscal 1992.

RESULTS OF OPERATIONS

The Company generates revenues from the sale of new, customized, computer controlled sewing equipment, sale of spare parts and sewing accessories, and specialty sewing of composite materials.

Revenues decreased $81,000 to $103,000 for the quarter. The year ago quarter included the sale and delivery of two multi-needle machines ($140,000) with the balance in sales of spare parts. The current quarter reflects $35,000 in specialty sewing contracts, which is lower than forecasted due to delays in contract definitization, equipment "check-out" procedures, and receipt of graphite materials to be supplied by the contractor; and the balance in the sales of spare parts and service.

Cost of sales, as a percentage of sales, decreased to 64% from 87% a year ago, attributable to the mix in product sales with a multi-needle machine carrying a lower gross profit margin than spare parts and service.

Selling, general and administrative expenses increased $27,000 to $129,000, principally do to increased consulting expenses. The Company has utilized consultants to take on special project assignments.

Research and development expenditures have decreased $8,000 to $35,000. The expenditures in fiscal 1992 are entirely attributable to the computerized retrofit package for a mechanical spring/coiler machine which is expected to be completed in the second quarter. This project, in great part, was stimulated by our proposed acquisition of Mid West Spring Manufacturing Company, and utilizing our design, manufacturing and software capabilities to improve manufacturing efficiencies. (For additional information on Mid West Spring

Manufacturing Company refer to the Company's Annual Report on Form 10-K for fiscal year 1991.)

Interest income decreased $13,000 to $6,000 reflecting lower average cash balances and lower short term interest rates from year ago levels.

SUBSEQUENT EVENTS

In February 1992, McDonnell Douglas completed its final equipment "check out" procedures and the Company commenced the stitching construction of both wing and fuselage subcomponents currently under contract with McDonnell Douglas/NASA. In late February, approximately 1-1/2 years since inception of the original contract with McDonnell Douglas, the Company successfully completed the stitch bonding and "assembly" sewing of the first wing subcomponent. This was an important milestone in this research and development contract with McDonnell Douglas. In addition to the approximately $100,000 currently under contract for stitch-bonding and "assembly" sewing work, the Company anticipates follow-on stitching contracts in respect to these efforts for McDonnell Douglas and the aerospace industry. In this connection, the Company has had several exploratory discussions with other companies serving the aerospace industry as well as the automotive and military complex. In some instances, these discussions also include experimentation with stitch bonding of prepreg materials which poses a whole new arena of stitching technology.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS

(a) Exhibits: None
(b) Reports on Form 8-K: None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PATHE COMPUTER CONTROL SYSTEMS CORP.

By _____
Richard G. Reece, President and
Principal Financial Officer

March 10, 1992